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20 January 1964

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CENTRAL INTELLIGENCE BULLETIN



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Approved For Release 2003/05/16 : CIA-RDP79T00975A007400490001-6

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DAILY BRIEF

*Panama: Amid general agreement that now is the time to push Canal demands, ambitious politicians are focusing on how best to manipulate existing nationalistic fervor.

The government's reliance on the time-tried Panamanian formula of encouraging and using agitation by pro-Communists has become more dangerous. Pro-Castro forces have grown in both size and capability. Government coalition leaders may already conclude that their own chances of winning the May elections could be jeopardized by the growing influence of the far left.

Ultranationalist and subversive groups which have actively maintained tension in order to exploit the wave of nationalism will support President Chiari only so long as he stands fast. However, his capitulation to their extreme demands has left him no maneuverability and he may be forced to resign, a move he has considered in less difficult times.

Opposition political and business leaders seem more aware than Chiari of the economic repercussions --some already evident--from a prolonged suspension of relations between Panama and the US.

Former President Arnulfo Arias apparently has not yet decided whether he can channel the present national emotionalism to his ultimate advantage or whether a coup now would present the best opportunity of returning to power. Pro-Castro revolutionary leader Thelma King also seems to be waiting for some new development.

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Cyprus-Greece-Turkey: Anti-Greek feeling is running high in Turkey over the Cyprus issue and could spark violence.

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[REDACTED]

There are approximately 80,000 ethnic Greeks and 20,000 Greek nationals living in the Istanbul area. Anti-Greek rioting in September 1955 resulted in the destruction of millions of dollars' worth of property belonging to the Greek minority. While Turkish security forces should be able to control any mass demonstrations, it would be difficult to prevent widespread isolated attacks.

Scattered incidents and mutual animosity continue to threaten the delicate balance being maintained on Cyprus. Both sides appear to be anticipating further outbreaks.

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[REDACTED] Turkish Cypriots are continuing to congregate in areas that are predominantly Turkish, in what the Greek Cypriots charge is a move designed to demonstrate de facto partition. The Turks say the movement of people is necessary for self-preservation.

There is no indication yet out of London that any progress is being made toward agreement. Greek Cypriot President Makarios will take the issue to the UN if the London Conference fails.

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Zanzibar: The new regime's political leaders are trying with Tanganyika's help to limit the role of "Field Marshal" Okello and his Cuban-trained militants, and to restore effective government.

Some 130 Tanganyikan armed police--flown to Zanzibar at the request of President Karume and Foreign Minister Babu--are disarming Okello's thugs and disbanding his revolutionary headquarters. The military leader's gun-brandishing behavior has kept him in virtual control since the day of the revolt and his inflammatory broadcasts have contributed to the anti-Arab violence, which may have caused over 2,000 deaths.

Okello is believed to be a Kenyan who served about four years with the Zanzibar police before Babu reportedly sent him to Havana in June 1961 for military training. He returned from Cuba last month.

Tanganyika's minister of defense and external affairs, Oscar Kambona, told the US ambassador in Dar-es-Salaam that Karume and Babu also asked him for technicians to restore essential services and wanted to discuss union or federation with Tanganyika in the near future. There is increasing evidence that Kambona may have actively supported the coup. He has long believed that Zanzibar should be under the wing of Tanganyika.

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Brazil: Brazil appears to be entering another period of heightened political tension amid renewed charges by both the right and left that President Goulart is planning to seize greater powers.

On 17 January rightist Governor Carlos Lacerda launched a bitter attack against Goulart, accusing him of preparing to establish a "syndicalist" or "popular" government "along totalitarian lines." In a "manifesto to the nation" Lacerda charged the President with intentionally provoking the strikes which crippled Rio de Janeiro last week. The US Embassy reports that the situation remains quiet, but notes that such accusations by Lacerda in the past have sparked strong reactions.

Pro-Communist Governor Miguel Arraes has also expressed the opinion that Goulart plans to perpetuate himself in power.

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Arraes, who is in contact with Goulart, stated that Goulart "does not want elections" and that he intends to stay in office after his term expires in January 1966 despite the constitutional bar to his re-election.

A number of high-ranking army officers also are convinced that Goulart is preparing to assume greater powers by extralegal means. They apparently believe that Goulart is employing strikes to create an atmosphere of unrest which he can use as a pretext for such a move.

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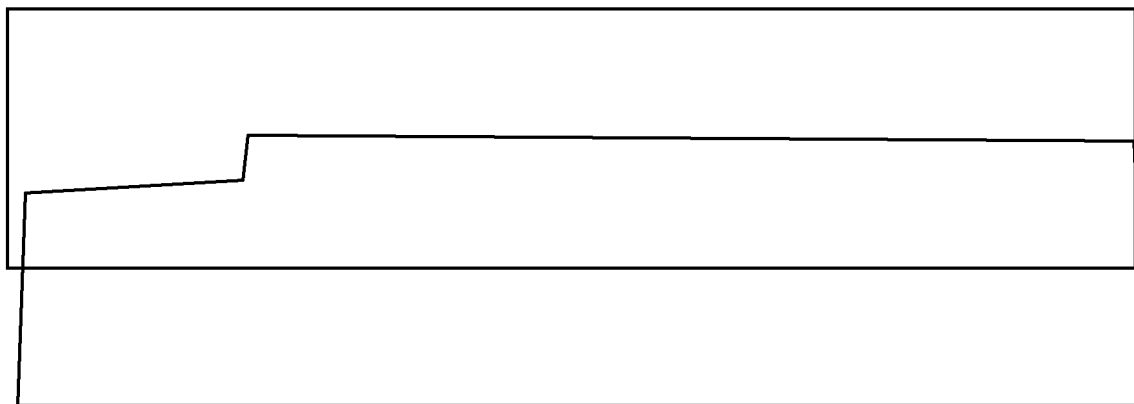
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Bolivia: There is a strong possibility that violence will result from a demonstration today by the left-wing Bolivian Labor Confederation (COB) which is controlled by Vice President Lechin.

Lechin is aroused by attempts to pack the nominating convention of the ruling MNR party against his leftist sector, which as a result walked out of the 16 January preparatory session.

Efforts by former President Hernan Siles Zuazo to reconcile Paz and Lechin have failed. Siles emerged from successive meetings with Paz and Lechin with the belief that Lechin may form a common front with other opposition parties, and convinced that Paz will attempt to perpetuate himself in power.



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Israel--Jordan Waters: [Israel has requested US support in preventing any delay or interference with its plans to utilize water from the Jordan River.]

[Prime Minister Eshkol emphasized in a recent conversation with US Ambassador Barbour that Israel would not tolerate interference either as a result of direct Arab action or UN intervention. He specifically reiterated Israel's opposition to any Arab attempt to divert the headwaters of the Jordan River--a subject discussed at the conference of Arab chiefs of state in Cairo last week.]

[Eshkol seemed more concerned about the possibility of a decision by the Arab leaders to submit the problem to the UN. Such a development, he said, could only bring "complications." He asserted that it was vital that the US, which supports Israeli withdrawals in accordance with the 1955 Johnston Plan, do everything possible to prevent the matter from getting to the Security Council, and that if it does, to prevent any decision from being taken.]

[The prime minister was especially wary of any possible Security Council resolution which would appoint an official to verify the amounts of water withdrawn. He indicated, however, that Israel would agree to a neutral "engineer" to oversee the project if he were selected by direct arrangement between the Arab states and Israel.]

[The intake head for the Israeli project's pumping station on Lake Tiberias reportedly will be installed about 24-25 January. Pumping tests will begin soon thereafter.]

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*Tanganyika: [Tanganyikan Army troops took over Dar-es-Salaam early this morning in an apparently bloodless maneuver]

[The reasons for the action are still unclear. [] the troops mutinied for higher pay and for Africanization of their officer corps, presently almost completely British.]

[The ardently nationalist Minister of External Affairs and Defense Oscar Kambona had planned to replace all British officers by the end of 1964. He is determined to build an air force and double his 1,000-man army in order to strengthen his border with Portuguese Mozambique. []

[Kambona has indicated that he will turn to the bloc if unable to obtain Western military assistance.] []

NOTES

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USSR-Cuba-US: Khrushchev's remarks on 17 January suggest that a Soviet propaganda campaign against the US base rights at Guantanamo may be imminent. Speaking in Castro's presence, Khrushchev followed condemnation of the US position in Panama with an endorsement of Cuban claims to Guantanamo. The parallel between these two issues was drawn even more sharply in two Red Star newspaper articles on 19 January.

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Pakistan-India: Pakistan has informed Western diplomats that it intends to resubmit the Kashmir question to the UN Security Council. The strongly worded Pakistani request--to be presented to the Security Council president on the 20th or 21st--cites New Delhi's recently announced plans to integrate the Indian-held portion of the state more fully into the Indian union. Pakistan's initiative will further embitter its relations with India, which are already severely strained over last week's communal rioting in Calcutta and Dacca.

Indonesia-Malaysia: Sukarno, in talks with Attorney General Kennedy, has agreed to a cease-fire in Indonesia's confrontation of Malaysia, provided Malaysian Prime Minister Rahman will agree to a meeting among Indonesia, the Philippines and Malaysia. Rahman, however, has previously indicated that in addition to a cease-fire, Indonesian and Philippine recognition of Malaysia is a prerequisite for such a tripartite meeting.

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